MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 179

H.P. 137

House of Representatives, January 14, 1997

An Act to Clarify Medicaid Reimbursement for Acadia Hospital Corporation.

(EMERGENCY)

Reference to the Committee on Health and Human Services suggested and ordered printed.

OSEPH W. MAYO, Clerk

Presented by Representative CAMPBELL of Holden. Cosponsored by Senator MURRAY of Penobscot and

Representatives: BAKER of Bangor, BRAGDON of Bangor, FISHER of Brewer,

PLOWMAN of Hampden, SAXL of Bangor, TREADWELL of Carmel, Senator: RUHLIN of

Penobscot.

	Emergency preamble. Whereas, Acts of the Legislature do not
2	become effective until 90 days after adjournment unless enacted
	as emergencies; and
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	Whereas, Acadia Hospital Corporation, a not-for-profit,
6	100-bed psychiatric hospital located in Bangor, opened on August
	27, 1992 and began serving Medicaid patients pursuant to the
8	terms of a provider enrollment agreement executed with the
	Department of Human Services; and
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	Whereas, subsequent to the providing of services and the
12	rendering of payment to Acadia Hospital Corporation with respect
	to such services, questions have arisen regarding the proper
14	interpretation of certain underlying rules and provider
	agreements; and
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	Whereas, clarification of these interpretive issues and
18	accompanying financial questions is critical to the financial
	stability of Acadia Hospital Corporation and to the ongoing
20	provision of needed psychiatric services to patients in the
	hospital service area; and
22	VXIII. as a second of the seco
0.4	Whereas, in the judgment of the Legislature, these facts
24	create an emergency within the meaning of the Constitution of
26	Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and
26	safety; now, therefore,
28	Safety; now, therefore,
20	Be it enacted by the People of the State of Maine as follows:
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	Sec. 1. 22 MRSA §1812-I is enacted to read:
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	§1812-I. Reimbursement for new psychiatric hospitals
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	The following provisions govern the reimbursement of a
36	psychiatric hospital that begins operation after July 31, 1992,
	referred to in this section as a "new psychiatric hospital."
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	1. Provider agreement. If the department and a new
40	psychiatric hospital have executed a provider enrollment
	agreement that, by its terms, affords the hospital Medicaid
42	reimbursement for all Medicaid patients admitted on or after the
	date the hospital begins operation:
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	A. That provider agreement must be honored; and
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	B. The hospital must be extended Medicaid payments for all
48	patients treated under that agreement.

- 2. Terms of the State's Medicaid plan. If the existing

 state Medicaid plan, submitted by the department to federal authorities, requires payment of a disproportionate share payment for the entirety of the affected payment year, the terms of such a plan must be followed and corresponding payments must be made to any new psychiatric hospital.
 - 3. Disproportionate share rules. If the rules of the department require a full-year payment or an "additional payment" to a disproportionate share hospital, the same rules apply to any new psychiatric hospital.

4. Departmental cooperation. The department shall cooperate in extending fair and complete Medicaid reimbursement to any new psychiatric hospital that has provided services to Medicaid patients from the date the hospital began operation.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

22 SUMMARY

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This bill clarifies the reimbursement treatment to be afforded to new psychiatric hospitals. Under this bill, a psychiatric hospital that begins operation after July 31, 1992 is guaranteed that the terms of an executed provider enrollment agreement will be honored and that Medicaid reimbursement will be made. The bill also ensures that the terms of any state Medicaid plan and rules concerning disproportionate share payments apply to new psychiatric hospitals.